GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1442
ANSWERED ON:16.07.2004
FUND FOR SSI
Nitish Kumar Shri

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether a decision was taken to constitute a fund worth Rs. 10,000 crores for small and medium scale industries during the year 2004-2005;

(b) if so, the facts thereof;

(c) the details of the present balance of the amount deposited in this fund and the amount disbursed; and

(d) if this fund has not been constituted so far, the reasons for the delay in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)
(a) to (d) :Yes Sir, In order to improve the availability of credit to the small scale industries sector and to make small and medium enterprises (SME) viable and competitive in the changed environment, a SME Fund of Rs. 10,000 crore was announced in January, 2004. The Small Industries Development Bank of India (SIDBI) has been entrusted with the task of structuring the modalities and for implementation of the Fund. The Fund aims at making available timely and adequate resources to SMEs and to benefit in particular the lower end of SME segment, in the broad areas of technology development, venture funding, cluster development, micro credit, credit rating facilitation and other promotional and developmental activities.
The total corpus of Rs, 10,000 crore is to be mobilized within a period of two years from SIDBI`s own contribution and other borrowings. In addition to this the deposits received from foreign banks against their shortfall in priority sector lending have been earmarked towards the corpus of the Fund. An amount of Rs. 535 crore has been disbursed so far.